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ABSTRACT

This report addresses the challenges posed to the college presidency in the current and near-future higher education environments, and presents its conclusions concerning the president's leadership role. Among the challenges anticipated for higher education are: diminishing resources; dwindling research funds; advancing information technology; the need to provide access and accommodate diversity; conflicting public expectations; and accelerating change. Problems posed by shared governance for the president, governing board, faculty, and state political leaders are outlined; and recommendations for rebuilding shared governance are made for each of these constituencies. These recommendations specify actions, approaches, and policies that exemplify both leadership and collaboration. Appended materials include data on the composition of single-campus and multi-campus trustee boards, notes on contractual and compensation agreements between the president and board, information on three states' approaches to reforming the trustee selection process, and a list of commission meetings in 1995 and 1996. (Contains 18 references.) (MSE)

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Renewing the Academic Presidency

Stronger Leadership for Tougher Times

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REPORT OF THE COMMISSION ON THE ACADEMIC PRESIDENCY

Renewing the Academic Presidency

Stronger Leadership for Tougher Times

Association of Governing Boards
of Universities and Colleges

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The Association of Governing Boards of Universities and Colleges (AGB) advances the practice of citizen trusteeship, a distinguishing characteristic of American higher education for more than 350 years. AGB's membership comprises 1,100 boards that govern 1,700 campuses in the United States, Canada, Mexico, the Caribbean, Europe, and Pacific Trust Territories. It includes every type of higher education institution in the public and private sectors, state coordinating boards, specialized schools, boards of college and university foundations, and independent K-12 schools. More than 30,000 trustees, presidents, and chancellors are members of AGB.

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Preface

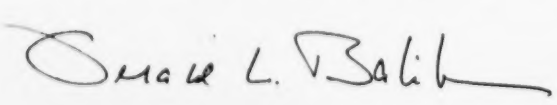
When Tom Ingram of the Association of Governing Boards of Universities and Colleges asked me to chair a new national Commission on the Academic Presidency, I agreed, recognizing the growing need for more effective leadership for the nation's colleges and universities. It has been an honor and a great pleasure to work with an extraordinarily talented group of commission members, who have brought years of collective experience, wisdom, and judgment to the project.

The commission took as its charge the following questions: Is the present system of governing American colleges and universities up to the demands of today and the foreseeable future? If not, what needs to change?

To answer that question we needed to reconsider the conventional wisdom about academic governance, respectful of the past, but fully aware that the past cannot secure the future. To that end, we interviewed more than 100 presidents, administrators, trustees, public officials, and other experts in higher education. We organized working groups on the presidency, the environment for higher education, the role of trustees, and the obligations of leaders in the public and private sectors. And we reviewed a large body of literature on academic administration and leadership.

This report is the result of that work. It is not for presidents or trustees alone but for everyone with a stake in the future of the United States. Because it is for all of us, its recommendations insist that presidents, faculty members, trustees, governors, legislators, and community and business leaders act now to see that higher education prospers in the future, as it has in the past.

I want to thank my colleagues on the commission for their dedication to this challenging assignment. Although each of us may harbor minor reservations about details of this document, we are unanimous in supporting its broad themes and recommendations.



Hon. Gerald L. Baliles
Chairman
Commission on the Academic Presidency

The Commission on the Academic Presidency

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Executive Summary

Higher education is one of America's great success stories. Campus enrollments are at all-time highs. International students clamor for admission to the nation's colleges and universities. University research has created whole new industries. University extension programs have transformed agriculture and rural life. New professional skills, developed in our colleges and universities, have produced dramatic progress across our national life in areas ranging from communications to medicine.

But public esteem and support for higher education appear to be declining. Costs are rising faster than inflation. Business leaders complain that college graduates are unprepared for today's global working world. State legislatures, facing soaring health-care and corrections costs, have cut university budgets. University policies in areas such as tenure and admissions have become political targets as well. The public, too, is getting restive: Polls show that the public increasingly believes that higher education is more concerned with protecting the status quo than responding to new realities and expectations. Americans who face "downsizing" at their own workplaces resent faculty tenure, and polls show that public confidence in university presidents has dropped nearly as fast as confidence in business and political leaders.[1]

If public confidence disappears, our country's future in the new global economy—a future that depends on a highly educated work force—will be jeopardized.

Is it any surprise that higher education is coming in for its share of skepticism in a skeptical age? Perhaps not. But even more than most ordinary businesses, academic institutions depend on public esteem to survive and prosper. If that

public confidence—of students, parents, donors, taxpayers, political leaders, and the business community—disappears, it will be much more than a business that will go bankrupt. Our country's future in the new global economy, a future that depends on a highly educated work force, will be jeopardized.

The greatest danger we see is that in this new era of growing doubts and demands, colleges and universities are neither as nimble nor as adaptable as the times require. Why? Because the academic presidency has become weak. The authority of college and university presidents is being undercut by all of its partners—trustees, faculty members, and political leaders—and, at times, by the presidents' own lack of assertiveness and willingness to take risks for change.

This situation must be addressed. After more than a year of inquiry, this commission has come to one overriding conclusion: Universities and colleges need wiser governance and more effective leadership. That means campus presidents must be given the authority they need to lead their institutions and manage their resources. A strong presidency is not a panacea for the ever-increasing demands and challenges besetting the nation's colleges and universities. But without a stronger presidency, these demands and challenges stand little hope of being met.

This conclusion will arouse passionate resistance in some quarters as an assault on the tradition of shared governance. This commission believes the tradition needs to be reshaped, not scrapped. Governance is not a zero-sum game. Strengthening presidential leadership does not mean undermining the role of governing boards or compromising the integrity of the faculty. On the contrary: If presidents are stronger, the institutions will be stronger—and everyone stands to benefit.

The following recommendations, along with others detailed in the complete report, are what we think it will take to create a more effective presidency and more effective support for the office and the institution from boards, faculty members, state political leaders, and the public. The recommendations seek to define the role of each of the major stakeholders in the academic enterprise—and to describe the actions the public should reasonably expect from them.

Key Recommendations to Presidents:

- Formulate a vision of the institution's future, build consensus around it, and take the risks required to achieve that vision, on campus and beyond.
- Lead the board and faculty through a process of clarifying the precise nature of shared governance on each campus and reducing ambiguities in authority and decision-making processes.
- Exercise the authority already inherent in the position. Presidents must resist academia's insatiable appetite for the kind of excessive consultation that can bring the institution to a standstill.

Key Recommendations to Boards:

- Select presidents who are truly capable of leading their particular institutions as change agents and risk takers. While many candidates will be found on campuses, the new challenges facing higher education may lead institutions to consider candidates from nontraditional backgrounds.
- Require the president to develop a vision and clarify how shared governance should operate on that campus. The board must work with the president to accomplish these goals.
- Support and stand by presidents, publicly and effectively, as long as they hold the confidence of the board. While mindful of their dual roles as supporters of the institution and guardians of the public trust, boards must back effective presidents when they are under siege by internal or external constituencies.

Key Recommendations to Faculty:

- Exercise the responsibility that accompanies shared governance, even when a changing environment calls for departures from tradition or painful decisions about individual faculty members or academic programs.
- Work with the president and the board to redefine the faculty role in shared governance by clarifying and simplifying decision-making processes.

Strengthening presidential leadership does not mean undermining the role of boards or compromising the integrity of faculty. If presidents are stronger, institutions will be stronger.

- Be prepared to accept new campus incentives that promote a sense of responsibility for institutional goals. This might include defining departments and groups of departments (and not simply individual faculty) as units of accountability.
- Be open to the application of technological innovation in instruction and help ensure that courses using new technology are taught effectively.
- Match commitment to the discipline with commitment to the institution. A faculty member's intense disciplinary focus must not overshadow his or her responsibilities for teaching and meeting other institutional needs.

Key Recommendations to State Political Leaders:

- Reform trustee selection practices and board performance by: (a) explicitly incorporating merit criteria into trustee selection and developing a process to ensure that this occurs, (b) enlarging public boards to accommodate a broader range of citizen views and experience, (c) diversifying sources of appointees, (d) eliminating popular election to boards, and (e) providing for longer and overlapping terms for public trustees.
- Articulate clear, reasonable, and consistent expectations for institutional performance tied to state priorities. Benchmarks for institutional performance and accomplishment should be developed thoughtfully in order to focus institutions on the public good while setting demanding but realistic goals.
- Reduce red tape in return for accountability. Governors and legislators should establish accountability mechanisms designed around assessments of performance and quality rather than compliance with regulations, administrative processes, and red tape.

- Consider with academic leaders how the strategic objectives of the state can be advanced by the work of academic institutions. States should actively explore how colleges and universities can serve as their partners in achieving their goals for the future.
- Redefine "sunshine" requirements as they relate to presidential searches. The public disclosure of potential presidential candidates undermines the search for leadership by jeopardizing their relationship with their present institutions. Searches should be treated as "personnel matters," which are normally not subject to public scrutiny.

When all is said and done, knowledge is the foundation of the American future. Academic institutions are essential national resources. They need superb leadership, management, and governance if they are to survive and the nation is to prosper with them.

"A strong presidency is not a panacea for the demands on the nation's colleges and universities. But without a stronger presidency, these demands stand little hope of being met."

The Challenges

The nation's colleges and universities are among its greatest assets. They are the doorways through which millions pass in their search for a better life. They develop the skilled intelligence required in a complex global economy. They support the research that extends the store of human knowledge, enriches personal understanding, and improves the human condition. New industries in which the United States is now preeminent, such as biotechnology and computers, have grown from university-based research. Their commitment to public service touches practically every community in America. From public health to personal employment, from environmental conservation to the discovery of new materials, from national security to national competitiveness, the nation's colleges and universities have served the national interest.

Higher education and the nation's progress are closely linked. Now, colleges and universities face new and growing challenges in a difficult and threatening environment.

In each of those areas, higher education and the nation's progress are closely linked. Higher education enrolled millions of veterans of World War II and Korea, contributing to the greatest period of sustained economic growth in American history. Colleges and universities trained the brains and developed the science that helped end World War II and protected the nation's security during the Cold War. They took in many of society's poor and powerless, its minorities and immigrants, and gave them the skills, competence, and self-confidence they needed to make their way in the world.

Now this national treasure is in trouble.[2] These institutions face new and growing challenges in a difficult and threatening environment—and their traditions of management and governance stand in the way of timely and effective responses.

The economy has flagged before, yet academic institutions have survived. This downturn, however, reflects the nation's permanent coming to terms with a new, global economy.

Colleges and universities inhabit a new and sometimes hostile world. Higher education today confronts challenges that are more numerous, more serious, and more rapidly developing than at any time in recent memory. Every day, campuses struggle with the effects of diminishing resources, reduced research support, an accelerating telecommunications revolution, the ongoing challenges of access and diversity, and conflicting public expectations.

Here is a look at those challenges:

Diminishing Resources

Following decades of growth—rising enrollments and handsome increases in student financial assistance, philanthropic giving, and state support—academic expansion ground to a halt in the early 1990s. Enrollment growth flattened, although it has now resumed. For the first time on record, state appropriations for higher education fell in fiscal 1992, to be followed by another decline the following year. And growing demands for student financial aid imposed severe constraints on university budgets.

Among the consequences: tuition skyrocketed in both public and private institutions; buildings were left in disrepair; salaries stagnated; morale declined; time-to-degree lengthened; and institutions lacked the funds to make needed new investments in technology, research, and institutional maintenance.[1] These trends have made it difficult for colleges and universities to accommodate the growing numbers of applications for admission that confront them.

Is anything new about this? The economy has flagged before, yet academic institutions have survived. This downturn, however, is not simply cyclical. It reflects the nation's permanent coming to terms with a new, global economy.[2] Because this new reality is not likely to be reversed easily, quickly, or soon, it will continue to require painful choices on campus.

Dwindling Research Funds

Predictably, limited resources have put essential university research programs at risk. Both public and private funding for research have declined, and this decline is not likely to be turned around in the near future. As the nation struggles with its fiscal problems, the pressure intensifies to put a tighter lid on discretionary spending, including university-based research.

A knowledge-driven economy depends more than ever on research. Academic institutions carry out fully one-half of all the basic research conducted in the United States, so today's cuts in research spending create altogether new and different risks. Funding reductions and a lesser emphasis on basic research threaten the seed corn of the nation's future—the kind of knowledge that will continue to fuel technological, medical, and agricultural progress.

A Wired Nation

Meanwhile, a newly wired nation with powerful tools for managing information has arrived practically overnight. Created in part out of academic science, a national infrastructure of telephone, cable, software, and satellite links is rapidly coming on-line. At the same time, millions of technically advanced, relatively cheap personal computers have appeared on desks and laps everywhere—in factories, offices, homes, schools, airplanes, and universities—accompanied by their electronic brethren, the facsimile machine and the mobile telephone.

These developments offer exciting possibilities for lowering costs and extending the reach of higher education to Americans everywhere, on and off campus, young and old alike.

But too many academic institutions—unlike business, industry, and even government—have failed to exploit these technological advances. What the commission sees, instead, are isolated and piecemeal adjustments to the information age—a promising innovation here, a new practice there, a model program elsewhere—that leave traditional classroom practices and approaches intact. This reluctance to explore the effi-

ciencies offered by technology may contribute to the skepticism of the general public and state legislatures about higher education.

Technology offers colleges and universities great potential for finding more cost-effective ways to provide educational services. What is required is a radical rethinking of how institutions deliver instruction, both in the classroom and beyond the campus. If academic institutions fail to seize this moment, innovative competitors in the for-profit world certainly will. Just as America's leading corporations found radical restructuring with an emphasis on technology necessary to survive, colleges and universities will need to embrace technology in order to fulfill their missions in an environment of shrinking resources.

Challenges of Access and Diversity

Social and demographic developments are also affecting higher education powerfully. Since the end of World War II and the enactment of the G.I. Bill, the hallmarks of the American system of higher education have been accessibility and commitment to the democratic ideal of equity. No other society approaches the United States in extending the benefits of a college education to so many.

Over the last half century, the campus has been thrown open to Americans of all kinds. This long process, sometimes bitter and even bloody, has enriched this society, its institutions, and its people. Higher education, once the preserve of affluent young white men, has extended its welcome to older Americans, people of color, Native Americans, immigrants, women, disabled students, and to students from families of limited means—or no means at all.

Yet because the issue of access and diversity remains controversial and troubling, it only adds to the complexities college and university leaders face. One of the major tools used over the last 20 years to achieve racial diversity—affirmative action—is now under attack in the political system and the courts. Sharp tuition increases have created access problems, particularly for students from lower-income families, as the gap between tuition levels and available financial aid has widened. Institutions and states

committed to achieving racial and socioeconomic diversity in education will probably have to find new ways to proceed.

While few would argue with the notion that greater diversity has enriched campus life, it also has stirred campus conflict and balkanization, sorely taxing the management skills of university leaders. A far more diverse student body compels institutions to expand services to accommodate changing needs. (Adult learners with families, for example, are more concerned with convenience, cost, and availability of courses at particular hours than with on-campus life or the cachet of a particular institution.) Diversity creates demands for more varied curriculum offerings and extracurricular activities, even as diminished resources dictate diminishing choices in both areas. All these trends force institutions to revisit fundamental questions about whom they are serving, how well they are serving them, and what goals they are trying to reach.

"Several trends are forcing institutions to revisit fundamental questions about whom they are serving, how well they are serving them, and what goals they are trying to reach."

Conflicting Public Expectations

Finally, colleges and universities are being forced to negotiate the tricky cross-currents of conflicting expectations from students, parents, community and business leaders, and state and federal government.

Public expectations are high; for the most part, higher education has been able to meet them successfully. But there are now so many expectations, coming so rapidly from so many different quarters, that meeting them all becomes extremely difficult. For instance, students and parents express concern about costs and wonder whether an expensive education will guarantee a job.[8] They also question the extensive use of graduate students to teach undergraduates and limits on enrollment in core courses that sometimes extend the time needed to graduate. Governors and state legislators, on the other hand, drive up fees by slashing academic budgets to finance rising health-care, corrections, and public-safety costs or to pay for politically attractive tax cuts.

As economic anxiety grows, so does the apparent willingness of the general public to value only the more pragmatic, utilitarian studies that it believes lead to jobs.[9] Business owners complain that recent graduates cannot meet the high standards of today's newly competitive workplace and pressure colleges and universities to develop a set of practical, marketable skills.[10] Still others are concerned that colleges and universities are abandoning the commitment to instill the civic values and habits of thought intrinsic to a liberal arts education.[11]

To complete this combustible mixture, state legislators and other public officials insist increasingly on performance-based budgeting, tying tax dollars to how well institutions and systems meet preset standards. States as diverse as Colorado, Florida, Ohio, Minnesota, Missouri, and South Carolina have done so.[12]

In the face of these many demands, academic leaders are often hard pressed to know which to address first.

Accelerating Change

Those, then, are some of the challenges facing higher education. None of them is entirely new; individually, each can be met. In combination, however, they threaten to overwhelm the academy's ability to respond.

Like American health care and U.S. corporations before them, academic institutions are confronted by a complex set of new realities they must address. Colleges and universities are fundamental to the American social compact—the unwritten charter that binds together the nation's institutions and its people. If higher education is in trouble, the entire fabric of the nation is strained, the future at risk.

The Problems of Governance

This commission set out to examine the problems of the academic presidency.* It reluctantly recognized the need to broaden its scope to address two questions: Is the governing structure of American colleges and universities adequate to meet the demands of today and the foreseeable future? And if not, what needs to change?

The commission believes the governance structure at most colleges and universities is inadequate. At a time when higher education should be alert and nimble, it is slow and cautious instead, hindered by traditions and mechanisms of governing that don't allow the responsiveness and decisiveness the times require. The concept of shared governance must be reformed and clarified to enable colleges and universities to respond more quickly and effectively to the challenges they face. The need for governance reform is urgent. Unless colleges and universities are willing to undertake the task themselves, others, probably less knowledgeable and supportive of higher education, will do it for them.

The concept of shared governance must be reformed and clarified to enable colleges and universities to respond more quickly and effectively to the challenges they face.

Shared Governance

Shared governance exists in most institutions of higher education. The term describes a system in which presidents, boards, and faculty participate in making decisions about a wide variety of important issues affecting the institution. The roles of the three participants are sometimes specified, but often they are not. Everyone shares the tacit understanding that while the board has legal responsibility for the institution, it delegates many of its powers to the administration and faculty.

* *By "president" the commission means the leader of an individual two-year or four-year campus or the leader of a system of campuses, whether the leader is called a "president" or a "chancellor."*

What some in academia take pride in as democratic decision making is, in reality, a web of inefficiency that limits how some institutions address urgent issues.

This system is at the heart of the academy's governing problems. Part of the difficulty arises from the vagueness of the concept and its execution. Sometimes the board's delegations of authority are simple and precise—as, for example, when it directs faculty to evaluate student performance or establish qualifications for a degree. But frequently the delegation is more complicated and ambiguous, as with tenure decisions, for example.

Whatever the formal arrangements, faculty representatives expect to be consulted on most if not all important decisions made by the president and/or the board. And "consultation" is often a code word for consent. In practice, any one of the three groups can effectively veto proposals for action, either through endless consultation or public opposition. On many campuses, this consultative process is far too complex, overlapping, and time consuming, making progress slow if not impossible.

Everyone in higher education is familiar with this impasse. Most accept it, with resignation or amusement, as the price of academic independence. But what some academic insiders take pride in as democratic decision making is, in reality, a web of inefficiency that severely limits the ability of some colleges and universities to address the urgent issues they now face. In a simpler, slower paced world this was accepted. Today, it undermines the very well-being of the nation's colleges and universities.

A more detailed look at the major players and the problems they face—or create—follows.

The President

For presidents to lead effectively, they must be able to define an agenda and drive the issues to a conclusion. As the best presidents demonstrate, that is not an impossible charge, but the current system makes it extraordinarily difficult.

As one leading authority pointed out to the commission, university presidents operate from one of the most anemic power bases in any of the major institutions in American society.[13] The trustees of corporate, philanthropic, medical, and nonprofit organizations encourage their chief executives to make decisions and act on them. Academic presidents, often lacking the clear lines of authority they need to act effectively, are compelled to discuss, negotiate, and seek consensus.

Academic presidents are like other chief executives in their responsibilities. They perform important leadership, managerial, and ceremonial functions. They represent the administrative core of the institution. They have to position their institutions in a competitive marketplace. And they must ensure that costs do not exceed income.

But they are unlike other chief executives in the source and reach of their authority. Academic presidents are held accountable by many constituencies—boards and alumni, students and parents, faculty and donors, governors and legislators, among others. Presidents are chosen by outsiders—a lay board—to advance the interests of the institution. Once hired, however, they are expected to advance the interests of faculty and students, and sometimes governors, alumni, or key legislators. Presidents have little authority to hire faculty, and practically none to fire them. They oversee the process for attracting and selecting students but have little control over what will be offered them or how their performance will be judged. And all too often, when controversy develops, presidents find that their major partner—the board—does not back them up.

As a result, presidents run the continual risk of being whipsawed by an ever-expanding list of concerns and interests. Instead of a leader, the president has gradually become juggler-in-chief, expected to meet an endless stream of individual needs and

special demands within and outside the institution, while the chief executive's view of the institution as a whole and the broad public trust it serves recede into the distance.

The hiring process for presidents presents a particular problem. It can demean candidates and discourage the best of them. For example, "sunshine laws" in many states require boards of public institutions to conduct presidential searches entirely in public view, with all the attendant publicity. Potential candidates from other institutions and outside the academic world frequently complain that the lack of privacy in the search process inhibits them from putting their names forward. And all too often, candidates who become presidents find themselves operating without a clear vision or sense of mission from the board about what it considers important and what it wants him or her to pursue.

Despite the difficulties of the selection process and the limits on their authority, extraordinary presidents achieve notable success. They leave records of accomplishment: a curriculum reformed through collaboration with faculty, tough issues resolved in consultation with boards, or new avenues of public and private support gained by winning over legislators and donors. But ordinary governance should not require extraordinary leaders. Many presidents fail—some because bold steps are beyond their reach, others because their good ideas are easily ground up in the effort to achieve consensus, and still others because they are intimidated and retreat from their leadership responsibilities.

Even for those presidents who succeed, the never-ending requirement for consultation, combined with the many internal and external demands made upon the university, demand extraordinary leadership abilities. The existing governance system seriously undermines the ability of presidents to define an agenda, drive issues to an acceptable conclusion, and move ahead. As one president told the commission, "The combined effect of intensifying special-interest politics in the academic arena and the university's inability...to respond immediately to demands for radical reform [leads to] institutional incoherence and saps our ability to achieve real excellence."[4]

Governing Boards

At its best, the board of trustees is committed to, and knowledgeable about, its own institution and familiar with the issues affecting higher education more broadly. As engaged and loyal stewards, the best trustees make decisions based on their responsibility to the institution as a whole. The board's fundamental role is to select the president, develop a vision for the institution in conjunction with the president, and provide sufficient oversight to ensure that the vision is realized. To do this, trustees must be ready to ask probing questions, assess different points of view, suggest directions, set expectations, and monitor results.

"Instead of a leader, the president has gradually become juggler-in-chief, expected to meet an endless stream of individual needs and special demand"

Unfortunately, too many trustees lack a basic understanding of higher education or a significant commitment to it. In extensive interviewing, the commission found instance after instance in which boards were either inadequately engaged with their institutions or, conversely, inappropriately involved in detail. Understandably, these presidents requested confidentiality. These examples are typical:

- A highly successful private college president reports that his board members are seldom genuinely helpful. They seem insulated, distracted by their own professional pressures, and unwilling to devote sufficient time and energy to a better understanding of the many complex issues facing the institution.
- A public college president describes a small board of trustees burdened with several members who exert undue influence on contract awards and interfere in athletic affairs.

Whether on public or private boards, what this adds up to is a significant problem. Many trustees understand neither the concept of service on a board as a public trust nor their responsibilities to the entire institution. In many cases, these problems arise because the state lacks clear criteria for board appointments, and the institutions provide little orientation or training for new board members. Even where written criteria for appointments do exist, those who appoint—be they governors, legislators, or the board itself—often fail to take the criteria seriously.

The commission found instance after instance in which boards were either inadequately engaged with their institutions or, conversely, inappropriately involved in detail.

A president saddled with a board incapable of exercising its trust responsibly and well is a badly weakened leader.

Private Boards. At first blush, private boards enjoy numerous innate advantages. They are self-renewing; they often involve committed alumni leaders in appointing or electing trustees; and they can expect genuine personal interest and commitment from their trustees.

However, private boards sometimes display maladies of their own: an attitude that certain areas of responsibility (e.g., buildings and grounds) are their particular fiefdoms, a tendency to value camaraderie over achievement, and an inclination to paper over substantive disagreements and avoid awkward problems. Some private trustees become too enamored of the interests and agendas of particular faculty members, programs, and departments.[5] Some private boards are too large and distracted to cope with accelerating demands for change. Many tend to focus on the short term and on details, rather than the long-term, fundamental issues facing the institution. Others are wedded to a long-cherished image of the institution as it existed in an earlier day.

Still, most college presidents—certainly all that we talked to—would, if given the choice, choose the private-board model every time.

Public Boards. Public boards are far more complex creatures (see Appendix A). Basically there are two kinds. The first is the more familiar—a single board responsible for a single campus. The second—a single, powerful board responsible for multiple campuses in a system—is the norm in the majority of states. In most states, public board members are appointed, generally by the governor with legislative ratification. In a few states they are elected.

Many of the problems that plague public boards are closely related to one overriding characteristic. These boards are highly political. Political considerations are

frequently a major factor in appointing board members and often an element in board decisions. Whether the appointment process involves election (at the district or statewide level) or nomination by the governor with confirmation by the state legislature, board selection and appointment are inextricably tied to partisan politics. While a few governors and legislators carefully seek appointees who have commitment to higher education, others begin and end the search with political considerations uppermost in their minds.

Public trustees tend to be men and women who have achieved some recognition in their fields, especially in business and public affairs, and who have some involvement with politics. There is nothing inherently wrong with that. Governors generally choose trustees on the basis of political connections or loyalty in providing campaign support, and this is not likely to change. The problem arises when they do so without regard to candidates' knowledge of or interest in higher education or trusteeship. For example, two public presidents—again, requesting confidentiality—told the commission about their experiences with political appointees to the board:

- My board doesn't have continuity of perspective. It lacks a consistent level of knowledge about higher education issues, and it often is unable to reach consensus on the basic issues confronting our institution. Board members serve their own purposes and interests, rather than the interests and needs of the institution. Further, the governor's criteria for appointing trustees are merely self-serving: who's interested, who's available, who's an old friend, and who's a political supporter. He's not looking for citizens who are knowledgeable about or committed to higher education. As a result, in my state, public higher education suffers.
- The appointments to my board have been very political. For some, politics was their only agenda. Their thinking and decision making was limited to the expedient, politically popular, short-term course of action. What's more, individual trustees were appointed by different governors who had dissimilar standards for appointing trustees. Some trustees were bought and paid for, answering primarily to the governor. Others were alumni appointed to reverse a decision or action a governor deemed unpopular.

Uninformed appointees tend to focus their energies on single issues or areas of personal interest—a new department, stronger athletic teams, or more money for minority faculty or need-based scholarships. No matter how worthwhile these personal agenda are, a trustee's single-minded support for one program at the expense of others undermines the president's ability to establish institutionwide priorities.

Board Structure. The commission is also concerned that the number of people entrusted with governance responsibility for complex public institutions—institutions with enormous enrollments, huge budgets, and large employment bases—is remarkably small (typically under ten). Can the broad range of institutional interests and needs be adequately reflected or addressed by just a handful of trustees? The evidence suggests it cannot. A small board can be held hostage by the special interests or narrow perspectives of a few members. Moreover, the smaller the board, the more difficult it is for the president to exercise effective leadership. For example, the vice chairman of a public college board in the West reports that two particularly rebellious trustees frequently prevent his entire board from taking significant action.

The situation is even more serious for multicampus boards, whose members make up only 3 percent of all trustees but represent institutions enrolling about half of all students in the United States. Can small statewide, multicampus boards adequately serve these enormous, complex, and sprawling systems?

Many states adopt multicampus systems in hopes of minimizing competition among campuses and costly program duplication. But centralization, cost savings, and efficiency must not suffocate local needs, individual initiative, and innovation. In some states, these systems perform very well and make campus chief executives' lives easier by protecting them from political pressures. In other states, however, campus leaders complain about the remoteness of statewide boards, their centralized bureaucracies, and their tendency to meddle from afar.

Perspective and Focus. Whether a board serves public or private higher education or governs a single or a multicampus system, trustees often lack continuity of perspective—that is, the recognition that they are not simply individuals but part of an ongoing process of institution-building.

Once appointed, such board members neglect the task of educating themselves about the college or university as a whole, content to show up at meetings, contributing when their pet project is under discussion, but otherwise rubber-stamping admin-

istration initiatives and decisions. When it comes to their most important job—hiring an outstanding president—many boards fail to define clearly what the institution needs in a president, or to outline clear objectives for that new president. Others join the president in developing new policies, only to back away when opposition develops, leaving the president to face criticism alone. And many boards fail to establish clear criteria and methods for evaluating the president and themselves.

The Faculty

A wholly different set of dynamics comes into play in presidential relations with the faculty. It is said that when Dwight D. Eisenhower became president of Columbia University in 1951, he called a dean into his office one day to lay down what Ike regarded as his—and therefore "the university's"—policies. After listening carefully, the dean gently reminded the West Point graduate: "President Eisenhower, please bear in mind that the faculty are the university."

The story is a vivid example of the preeminence that faculty assume on campus. But it also dramatizes how much the relationship between faculty and the university has changed. Since World War II, particularly in research-intensive institutions, faculty members have gradually transferred their loyalty from the institution to their disciplines and subdisciplines. A biochemistry scholar in Ann Arbor is more likely to communicate with a disciplinary colleague in Philadelphia or Prague than with a literary historian in the building next door; geophysicists in Berkeley have more in common with their counterparts in Madison or Bonn than with the biology faculty across the campus.

The world view and self-perception of the professoriate has changed.[16] Faculty loyalties and the faculty reward system increasingly focus on achieving eminence in (and protecting) a particular discipline, rather than supporting the goals of the institution. As

"Since World War II, faculty have gradually transferred their loyalty from the institution to their disciplines."

Ceding ground only grudgingly, faculty can make change very difficult. This resistance can only hinder institutional progress.

prestige and rewards attach more and more to research over teaching, other campus-centered tasks, including the tasks of university governance, suffer accordingly.

The chief consequence of this attitude is that faculty are likely to be less flexible and responsive to changes that presidents consider necessary to adapt the institution to a new environment and changing student needs. For example, at a flagship public university in the Northeast, faculty initiated a vote of no-confidence in the president after he had recommended uniting three separate business departments scattered on three different campuses. The reason? The faculty cited "lack of consultation," even though the president had acted only after five years of campuswide study.

Faculties often exhibit conservative reflexes about the institution's educational program. Many react defensively when administrators suggest shrinking course offerings, consolidating functions, or adjusting course hours to accommodate the needs of a changing student body. They find it difficult to work collectively to rethink and rebudget their activities in a time of limited resources and shifting demands. Ceding ground only grudgingly, faculty can make change very difficult. In a world where technological, social, and political changes occur at an increasingly rapid pace, this resistance can only hinder institutional progress.

If scholars are to cope with the complex problems associated with adapting to new challenges—those involving technology, cost control, demographic shifts, and other demands—their essential scholarly needs and freedom of action must be protected, of course. But if the academy is to change to meet society's needs, the faculty must be prepared to be part of that change.

State Political Leaders

Governors and state legislators have tremendous influence over two of the most critical factors affecting public higher education today. Their primary responsibility, as discussed earlier, is to make appointments to public college and university boards—a responsibility some fail to take seriously.

Second, governors and legislators control the purse strings for higher education—a responsibility that many wield with inadequate consideration for long-term consequences. Slashing education budgets to finance new prisons or health care satisfies immediate needs but starves the colleges and universities whose work is so vital to the state's well-being. An intelligent reappraisal of a college or university's budget priorities can be in order, of course. But too often, new governors and legislators simply want to demonstrate that they can make the "hard" decisions. Responding to increasing public skepticism about the performance of colleges and universities, they call for "change" and frequently endorse simplistic, ill-conceived schemes for greater "accountability."[17]

Many governors and legislators hold ambivalent, even contradictory, views about higher education. They applaud the principle of strong presidents, but they undercut it by placing undue conditions on financial support. They approve the idea of finding first-rate campus leaders but then insist that presidential searches take place in the glare of "government-in-the-sunshine" laws. They pay lip service to autonomy and academic freedom yet encourage public ridicule of research projects they characterize as esoteric. They endorse statewide coordination and lump-sum budgeting for higher education but then bypass state coordinating boards and demand financial accountability directly from individual institutions. Academic leaders are caught coming and going.[18]

In short, state political leaders often make university leaders' jobs difficult in unproductive ways. In an era of deregulation, they continue to burden colleges and universities with the kind of red tape that seriously hinders flexibility and cost cutting. Lacking

Many governors and legislators applaud the principle of strong presidents, but they undercut it by placing undue conditions on financial support.

institutional memory, new governors and legislators arrive in office with great enthusiasm for new ideas. However, they often are unaware that similar initiatives either have been tried before and have failed or now conflict with an ongoing policy direction agreed upon only the previous year. Some even seem unaware that citizen-trustees and governing boards are intended to serve as both a bridge and a buffer between the campus and the state—educating each about the other and protecting the campus from excesses of partisanship.

* * * * *

In reality, the practice of shared governance—however promising its original intent—often threatens gridlock. Whether the problem is with presidents who lack the courage to lead an agenda for change, trustees who ignore institutional goals in favor of the football team, or faculty members who are loath to surrender the status quo, the fact is that each is an obstacle to progress. Partners in shared governance who ignore their obligations—or work at cross purposes—seriously threaten the ability of their institutions to respond to the challenges before them.

If higher education is to respond effectively to the demands being placed upon it, the culture of shared governance must be reshaped along the lines described in the next chapter. The commission's recommendations are designed to give presidents the power to lead by simplifying the consultation process, removing barriers to institutional adaptation, encouraging boards to focus on genuine institutional needs, and providing the faculty with incentives to accept the responsibilities that accompany the freedom they enjoy.

Rebuilding Shared Governance

In the massive enterprise that is American higher education, no set of recommendations can apply equally to each of the complex and diverse institutions involved. There are too many different kinds of institutions, each with its own peculiar history and traditions, for a single governance model to be effective. Nonetheless, there are enough common elements to justify quite explicit advice directed at presidents, governing boards, faculty members, and public officials.

The members of the commission are convinced that shared governance can and should be maintained—but not in its present imprecise, undisciplined form. It must be clarified and simplified, so that those with the responsibility to act can exercise the authority to do so. Shared governance cannot ensure that all parties will agree on all issues. Our recommendations seek to define the role of each of the major stakeholders in the academic enterprise—and to describe what the public should reasonably expect from them.

Recommendations to Presidents

Presidential Role: The role of the president, under the authority of the board, is to provide strong and comprehensive leadership for the institution by developing a shared vision of its role and mission, forging a consensus on goals derived from the mission, developing and allocating resources in accordance with a plan for reaching those goals, and ensuring the highest standards of performance, efficiency, service, and accountability. The president is the chief spokesperson for the institution, a champion for the larger role of higher education, and an advocate for the responsibilities and concerns of the institution.

To advance that role, the commission recommends that presidents:

- **Formulate a vision of the future, build consensus around it, and take the risks required to implement that vision, on campus and beyond, as the essential mission and function of the institution.**

Shared governance must be clarified and simplified, so that those with the responsibility to act can exercise the authority to do so.

Clarity of vision and a shared sense of purpose—about what the institution stands for, and where it is going—can work wonders for any institution. Only the president can initiate and lead the search for such a vision and sense of mission, and only the president can get the board and campus invested in it.

- **Lead the board and faculty in a process of clarifying the precise nature of shared governance at their specific institution.**

In every way, this is the heart of the commission's recommendations. As a legal matter, there is no such thing as "shared governance." The power that presidents and faculty exercise is delegated by the board. Nonetheless, institutions must find a way to honor their legitimate prerogatives while enabling decisions to be made in a timely manner.

To meet these goals, the president should initiate discussions with faculty leaders and board members to simplify the processes of consultation and develop a clear delineation of (a) those areas (within the institution's mission and vision) where the special competence of the faculty means that in the absence of exceptional circumstances their consent is required; (b) those areas where faculty advice will be sought and considered, but not considered authoritative (e.g., the budget); and (c) those areas where faculty is not consulted.

The Commission expects that faculty views almost always will be decisive on academic issues, but considerably less so in budget matters. When making decisions about the curriculum (in accordance with the institutional goals established by the board) or judging the competence of colleagues, for example, the faculty's voice should generally hold sway. When allocating funds among maintenance, staff salaries, and financial aid, the faculty has much less to contribute. There are many points along the way between these poles. Discussion and clarification of roles is necessary to avoid unrealistic expectations and bolster the legitimacy of executive decision making where it is challenged today.

- **Exercise the authority already inherent in the position.**

Presidents already possess the authority to do much of what they need to be able to do. But authority on paper is not the same as authority in fact, and presidential powers have often lain dormant for so long on some campuses that executives are reluctant to resurrect them. Especially in relation to the faculty, presidents must find the courage and determination to persist with initiatives and not allow academia's insatiable appetite for consultation to bring the institution to a standstill.

- **Develop annual budgets that reflect the institutional vision by allocating resources consistent with it.**

Budgets are policy statements. Unless institutional mission and vision are reflected in them, they are little more than academic platitudes. Presidents must retain responsibility for the overall vision and mission of the institution and for the planning that leads to the budget document. They should act as the principal advocate for the budget to the board, the campus, and the legislature (in the case of public institutions). Presidents must delegate day-to-day management to their subordinates and insist that they create management systems to monitor performance and accountability.

- **Make sure that board members, both new and experienced, have the information they need, on an on-going basis, to function effectively as trustees.**

Nothing is as destructive of effective university governance than uninformed board members. Yet sometimes presidents actively discourage the communication of relevant facts to the board, especially when these facts might reflect badly on the institution's performance. It is the president's job to keep board members fully informed—and, if necessary, to work with the board through its chair to raise expectations for thorough preparation and participation in in-service education by all board members. The president must see that the board is not surprised or embarrassed.

- **Build public support for higher education.**

Whether presiding over public or private institutions, presidents have an obligation to explain to the public the critical role of higher education in American society and

why it should be supported. They should do this through speeches and in dialogue with the press and with community, political, and business leaders. This role will become all the more important as challenges to higher education mount.

Recommendations to Boards

Board Role: The ultimate authority for the well-being and effectiveness of the institution is vested in the board of trustees. The trustees exercise this authority, partly by their own understanding and engagement, partly by actively participating in developing the institution's vision, and partly by delegating sufficient authority to both president and faculty to permit the institution to function. As a surrogate for the general public, the board should serve as a knowledgeable and demanding overseer as administrators and faculty members explain institutional performance and make their cases for new undertakings.

To advance that oversight role, the commission recommends that boards:

- **Select presidents who are truly capable of leading their particular institutions as change agents and risk takers.**

No task is more important for any board than the selection of the campus president. While many candidates will be found on campuses, a reservoir of talent remains to be tapped in the worlds of business, government, the professions, the nonprofit sector, and the military. Trustees should not shy away from potential presidents from nontraditional backgrounds. The new challenges facing higher education may lead institutions to look beyond the ivy walls to consider leaders whose different kinds of experience fits the particular needs of the institution. At the same time, potential leaders who are already on campus should not be overlooked. The essential requirement is experience in the leadership and management of a complex organization. Boards should seek candidates who are consultative yet decisive, respectful of academic traditions yet unafraid to use nontraditional strategies.

- **Work with the president to develop a vision and clarify shared governance.**

Because both presidents and faculty members exercise academic authority in the board's name, the board must be actively involved in developing goals and objectives

that reflect a clear sense of institutional direction and priorities. In particular, the board must take a strong role in identifying, defining, and clarifying the authority it delegates and the governance it shares.

- **Support and stand by presidents, publicly and effectively, as long as they hold the confidence of the board.**

While ever mindful of the tension between their two roles—one as supporter of the institution, the other as guardian of the public trust—boards must support effective presidents. However selected, individual board members must remember that their primary allegiance and fiduciary responsibility is to the institution and the public interest, in the broadest sense, not to the constituency or party that put them on the board. This will require public boards, from time to time, to buffer the university against undue political pressure.

Presidential leadership requires attention to issues of mission and vision, because the board shares with the president the role of advocate of the essential function and mission of the institution to the outside world. Trustees are expected to ask the tough, probing questions when things are going well, because it may be too late to raise them when things are going badly. Boards also must set policy while avoiding the temptation to micromanage, which can seriously undermine the academic presidency.

As long as presidents command board confidence, they are entitled to effective board support in public and reassurance in private, especially when under siege.

- **Provide presidents with the contractual support they require.**

Presidential compensation, always a difficult subject, becomes doubly so in the downsizing environment of the American economy in the 1990s. During the commission's staff interviews, not a single president listed compensation as a major impediment;

Board members must remember that their allegiance and responsibility is to the institution and the public interest, not to the party that put them on the board.

Presidential performance depends on board performance. The president and board should be reviewed together for the benefit of the institution they serve.

nevertheless, the commission believes college and university boards should establish a compensation system for presidents that recognizes the risks of leadership. Boards also should ensure that the compensation package is capable of withstanding public scrutiny (see Appendix B).

- **Evaluate presidential and board performance.**

Presidential evaluation is another major responsibility of all boards. Boards that fail to evaluate presidential performance are not meeting their obligations. For the evaluation to be useful and fair, the president's performance has to be measured against the agreed-upon vision and mission.

The best trustees and boards also evaluate their own performance periodically. This is best carried out with the assistance of external consultants. The commission was intrigued to learn of at least one institution where the board annually evaluates the "president's year" (by contrast with the president's performance) and the president evaluates the "board's year," with both parties sitting down to discuss them informally. Presidential performance depends on board performance. The president and board should be reviewed together for the benefit of the institution they serve.

- **Organize the board for maximum effectiveness.**

Like any group that meets intermittently, a board can use its time wisely and well or waste it in busywork. Every board, public and private, can benefit from a comprehensive review of its basic ways of doing business. Terms of office for board members, the role of the chair, and information-sharing practices—all of these and more deserve periodic review to ensure that the time of busy people is used to best advantage for the good of the institution (see box, next page).

The commission also urges boards to see that each new trustee is provided a comprehensive orientation program that fully explains the operations of the institution and the responsibilities of trusteeship. In addition, boards should arrange periodic and substantive in-service education for each member.

Organizing Public Boards for Maximum Effectiveness

The commission recommends the following for all public boards:

- **Term of Office.** In public higher education, the minimum term should be five years, renewable once, to build a deep understanding of the institution and the governing board's proper role and responsibilities.

- **Role of the Board Chair.** An active and energetic board chair, working closely with the president, is the key to effective governance. For continuity of leadership, board chairs should serve at least two consecutive years, but no more than three.

- **Better Communication.** The commission supports openness in sharing information among administration, faculty, and board and recognizes the value of organizing and disseminating information as a means of broadening understanding. The commission also endorses the use of meetings to build board understanding of campus culture in both private and public institutions.

- **Trustee Accountability.** Boards should police themselves. When appropriate, the board's executive committee should encourage uninterested or disengaged trustees to resign. In public colleges and universities, legislators and trustees should establish standards of conduct and a process by which problematic, uncommitted, or ineffectual trustees can be removed from office.

A Note on the Selection of Members of Private Boards:

While the commission's recommendations to public officials address the selection of trustees of public institutions, the commission urges private colleges and universities to address the quality of their boards, as well. Here, time-honored selection procedures too often yield a narrow perspective, interest in personal recognition rather than service, or ties to the past that inhibit change. Private boards should establish rigorous criteria for the selection, training, and assessment of fellow trustees that incorporate many of the recommendations to public officials outlined on pages 28-33 of this report.

Recommendations to the Faculty

Faculty Role: The faculty, appointed by the board, is responsible for instruction, research, and service, in cooperation with the president as chief educational officer. Boards and presidents delegate to the faculty most aspects of instruction, including course and curriculum approval, student evaluation, and graduation requirements. Because they have considerable freedom in these matters under the authority of the board, faculty members must accept responsibility for exercising this discretion in accord with the mission of the institution as determined and articulated by the president and the board. The core business of the institution is teaching and learning, and faculty members must be committed to the needs of the entire institution and the interests of their students.

To strengthen the faculty's role, the commission recommends that faculty:

- **Exercise the responsibility they share in addressing the issues confronting their institutions.**

Faculty must recognize that a changing world demands changes in their institutions. The opportunity to participate in the governance of the institution implies a shared responsibility for promoting its well-being, even when that involves a significant departure from tradition or painful decisions affecting individual faculty and academic programs.

- **Work with the president and board to redefine the faculty role in shared governance.**

Faculty should work with the president to redefine shared governance around a hierarchy of substantive issues, ranging across (a) those in which the special competence of the faculty means that, in the absence of exceptional circumstances, their consent is required; (b) those in which faculty advice will be sought and considered but not considered authoritative (e.g., the budget); and (c) those in which the faculty is not consulted.

- **Cooperate with the president and board to make shared governance more efficient.**

While the shared governance mechanism should be clarified, it also must become much more efficient. The luxury of extended consideration of every conceivable issue

is not defensible today. Numerous efficiencies are possible. For example, any number of issues are now assigned to multiple faculty senate committees, occasionally simultaneously and sometimes serially. Senate procedures should be developed to guarantee that almost every issue can be assigned to one specific faculty committee and resolved within an agreed-upon period.

Faculty leaders must understand that unless the institutions that house the disciplines remain healthy, the disciplines themselves inevitably will be undermined.

- **Be prepared to accept new systems of campus incentives.**

One of the most distressing failures of the governance system is that the sense of faculty responsibility for the well-being of the college or university has suffered as faculty members increasingly find prestige and rewards off campus. It is time to rebuild a sense of collegiality and responsibility among faculty members in support of the institution's vision and mission.

Faculty and their institutions must design and implement systems of accountability that ensure responsible exercise of the authority delegated to them by the board. The commission suggests that institutions consider departments and groups of departments (rather than individual faculty) as units of accountability, with appropriate rewards and incentives to help realize institutional goals and priorities.

- **Match commitment to the discipline with commitment to the institution.**

Faculty members are properly dedicated to advancing knowledge within their own disciplines. Yet this intense disciplinary focus must not overshadow faculty responsibilities for teaching and meeting other institutional needs. Faculty leaders must understand that unless the institutions that house the disciplines remain healthy, the disciplines themselves inevitably will be undermined.

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Faculty must recognize that a changing world demands changes on campus, even if that means departures from tradition or painful decisions affecting individuals or programs.

- **Be open to the application of technological innovation in instruction and help ensure that curricula and courses employing new technology are taught effectively.**

Many faculty members are reluctant to accept the vast changes in technology that affect not only what is taught but, more important, how their subject matter can be taught. Rapidly developing technology permits students to see, hear, and interact with lecturers from distant places. This can enhance educational opportunities, but it also can seriously erode the traditional teaching function of faculty and lessen the opportunities for personalized instruction. The commission believes that the proper balance between innovation and conventional instruction can be maintained only if the faculty collectively takes an active part in combining old and new ways of teaching.

Recommendations to Public Officials

Public Officials' Role: The responsibility of political leaders is to recognize the importance of higher education to the future well-being of their states and the nation and to ensure that board appointments and allocation of resources reflect that priority.

To exercise that responsibility well, the commission recommends that public officials:

- **Reform trustee-selection practices.**

Nothing is more critical to the future success of higher education than improving the quality and performance of boards of trustees. For public boards the need is urgent. Governors and legislators should seek only appointees who demonstrate a serious commitment to serving the entire institution and a broad appreciation of the role of higher education. The qualifications for trustees of public institutions should be stated publicly and by law, and governors and legislators should adhere to these quali-

fications when filling vacancies. Those selected should represent the wide interests of the institution or system, not narrow constituencies or single issues.

The following are among the procedures that can improve board performance.

A. Explicitly incorporate merit criteria into trustee selection.

Governors and legislators should formally adopt procedures now informally followed in several states that establish merit reviews for trustee selection. The commission commends model efforts of this kind in several states (Minnesota and Kentucky, among others), where governors, and sometimes legislators, have created independent panels to advise them on trustee nominations by developing lists of potential trustees, reviewing lists of candidates under consideration, interviewing candidates, or considering alternatives (see Appendix C). Such reviews make good sense, and all states should employ them.

B. Enlarge public boards.

The commission's research and interviews indicate that the small size of most public boards seriously interferes with effective trusteeship. Larger boards can more readily accommodate a broad diversity of citizen views and experience. And larger boards make possible the use of effective committee structures to avoid overloading individual board members. But the enormous growth in size, complexity, and consequence of public colleges and universities is the best argument for boards larger than nine or twelve members. More of the nation's most able citizens should be brought into this important volunteer calling.

Public boards—whether for individual campuses or entire systems—should have 15 or more carefully selected members. While good balance in board membership requires some sensitivity to geographical considerations (including the generally basic requirement of state residency), the most able men and women should be recruited for trusteeship wherever they may be found. And every public board should include a majority of women and men who have demonstrated experience with large organizations, their financing, and their complex social and political contexts.

C. Diversify sources of appointees.

One of the great opportunities for minimizing partisanship on public boards (or at least balancing it) lies in the opportunity to diversify sources of appointees to boards. Membership on a university board should not be a patronage plum controlled by a single individual, office, or party. A board should encompass a mosaic of backgrounds, professions, and experience that will help the institution make decisions on the broad set of issues it faces. The commission urges the appointing authorities to consult with board chairs and presidents about the particular skills and talents they need to strengthen the board.

D. Eliminate popular election to boards.

With the possible exception of community colleges, which have a unique community role and mission, the commission is aware of no significant body of opinion that supports the popular election of public trustees. On the contrary, experience consistently indicates that statewide or districtwide elected boards create the greatest governance difficulties, internally and externally, because they most often conduct themselves as political rather than deliberative bodies. Public officials should do whatever is needed to eliminate elected boards.

E. Provide longer terms for trustees.

The commission notes an alarming trend toward shortening trustee terms of office. On almost all public boards, trustees serve for terms that average only five years, sometimes renewable. Continual board turnover—either wholesale or piecemeal—is the norm, with the accompanying loss of continuity, experience, and institutional memory. Moreover, short terms, especially when coincident with election cycles, tend to politicize boards along partisan lines by opening vacancies too often—thus making boards more vulnerable to political party influence. By providing longer and overlapping terms, or by allowing some positions on public boards to be filled from a pool of existing trustees who are reappointed for a second term, boards can minimize turnover and build the continuity and institutional memory essential to an institution of higher education. Effective presidencies depend on reasonably stable board membership and leadership.

F. **Reconsider the wisdom of multicampus boards.**

The commission is convinced that every state can benefit from a review of its statewide university governance system. Two states recently moved in opposite directions to redesign and reengineer university governance. Illinois eliminated two multi-campus boards in favor of strengthening institutional campus governance, while Minnesota chose to consolidate the authority and governance of three boards under just one.

This is a difficult and complex subject. The authority of multicampus system boards varies widely by state. We believe this is an area to which the Association of Governing Boards should devote considerable time and attention to develop concrete guidance for public officials at the state level.

- **Articulate clear, reasonable, consistent expectations for institutional performance tied to state priorities.**

States should clearly define expectations for each of their public institutions of higher education. State leaders should not hesitate to demand institutional accountability—through the board and president—by engaging in honest and open discussions with academic leaders and board members. But they must not play to the worst instincts of cynics and demagogues among the public and its leaders. They should develop benchmarks for institutional performance and accomplishment through a thoughtful, reasoned process. These benchmarks should set demanding, but realistic and meaningful goals. (Performance indicators might include average faculty involvement in undergraduate instruction, student performance on achievement tests, or employer satisfaction with the institution's graduates, for example.) Performance should be measured in terms of educational outcomes as well as by the means (i.e., inputs) by which institutions achieve them.

"Governors and legislators should formally adopt procedures now informally followed in several states that establish merit reviews for trustee selection."

States should clearly define expectations for each of their public institutions of higher education and develop benchmarks with meaningful goals.

State leaders also should articulate expectations and benchmarks for performance publicly. This will improve the public's understanding of higher education and what it is expected to accomplish. In articulating expectations, public leaders should provide some measure of consistency over time. Nothing is more detrimental to institutional stability than mixed and continually changing signals from public leaders.

- **Reduce red tape in return for accountability.**

Governors and state legislators should apply to higher education the principle they have applied elsewhere in government: greater independence from regulation in exchange for demonstrated results.

The best accountability mechanisms are designed around assessments of performance and quality rather than compliance with regulations, administrative procedures, and red tape. Moreover, if state governments continue to reduce funding for public institutions, these public colleges and universities deserve some relief from the most onerous and burdensome of state regulations.

Legislators in several states have introduced bills to grant public colleges and universities greater management autonomy and fiscal flexibility. Among the proposals are measures that would allow institutions to carry over budgets from one fiscal year to the next or to retain tuition revenues on campus (rather than turning them over to the state). Others would reduce reporting regulations to the state or provide greater institutional control over such areas as procurement and hiring and firing of university personnel. Although these bills generally have not progressed to passage, they do offer examples of ways in which overregulation and micromanagement might be reduced.

By surrendering control through red tape in return for demonstrated results, states can encourage colleges and universities to become more responsive and responsible, and more closely attuned to the needs of the changing world around them.

- **Consider with academic leaders how the strategic objectives of the state can be advanced by the work of academic institutions.**

Most state leaders would profit from a better understanding of the connection between overall state objectives and the ability of higher education to contribute to their attainment. Every state activity—from developing a citizenry educated for civic responsibility, to constructing highways, attracting new employers, expanding business parks, and creating high-technology centers—depends on both an adequate supply of university and professional school graduates and research expertise. State officials should actively explore how academic institutions can serve as partners in achieving the state's goals for the future. A biannual conference for orienting trustees to overall state priorities is one way to accomplish this goal.

- **Redefine "sunshine" requirements as they relate to presidential searches.**

The public's business should, of course, be conducted as openly as possible. But states must consider some protection for candidates in presidential searches. The public disclosure of potential candidates for a presidency so damages the candidates' relationships with their current institution that it can act as a disincentive for able candidates who refuse to allow their names to be put forward. Searches should be treated as personnel matters, which normally are not subject to public scrutiny.

Conclusion
Tougher Times and the Imperative for Presidential Leadership

Universities have been awkward institutions for the surrounding society from their very origins in the European Middle Ages. They came into existence, after all, in resistance to, or flight from, civil and religious authority. Tensions between and among society's needs, the pursuit of knowledge for its own sake, and the requirements of academic freedom are not new. Indeed, higher education in the United States has shown a remarkable capacity to respond to society's needs while protecting scholars in their search for knowledge.

That capacity to respond to society's demands and at the same time protect scholarship is now threatened by society's unprecedented and conflicting demands on higher education. In today's era of massive change, colleges and universities need more effective, less encumbered presidential leadership. And the public must acquire a clearer and firmer understanding of the significance of the academic enterprise, what legitimately can be expected of it, which constituencies it should serve, and how it should serve them.

College and university presidents have a responsibility for helping the public reach this new understanding, but they cannot do the job alone. Everyone from trustees and faculty members to legislators and community leaders has a part to play in creating the conditions that will enable academic presidents to lead—and colleges and universities to flourish.

Endnotes

1. Louis Harris, "Planning to Get Real." Remarks at the 1992 Annual Meeting of the American Association for Higher Education. (Summarizes Harris Poll findings on public confidence in leaders since 1966.) See also Patricia Albjerg Graham, Richard W. Lyman, and Martin Trow, "Accountability of Colleges and Universities." (New York: Columbia University, 1995.)

2. The nation's 3,500 colleges and universities range from large research universities to small liberal arts colleges. The term higher education embraces historically black colleges and universities, tribal institutions, and predominantly Hispanic-serving campuses. It includes theological institutes, military academies, and single-sex institutions. It encompasses everything from two-year community colleges offering both occupational and academic curricula to institutions offering only graduate and professional degrees. The commission respects this impressive diversity. However, much of what it has to say applies to public and private four-year institutions.

3. Edward R. Hines, "State Higher Education Appropriations 1992-93." (Denver: State Higher Education Executive Officers, 1993.)

4. American Council on Education, "ACE Issue Briefs," April 1996, p. 1.

5. See for example: "The Closing Gateway: Californians Consider Their Higher Education System." (San Jose: The California Higher Education Policy Center, 1993.)

6. David W. Breneman, "Higher Education: On A Collision Course with New Realities." AGB Occasional Paper No. 22. (Washington, D.C.: Association of Governing Boards of Universities and Colleges, 1994.)

7. "Ten Public Policy Issues for Higher Education in 1996," AGB Public Policy Paper Series No. 96-1. (Washington, D.C.: Association of Governing Boards of Universities and Colleges, 1996.)

8. American Council on Education, "Goodwill and Growing Worry: Public Perceptions of Higher Education." (Washington, D.C.: American Council on Education, 1995.)

9. American Council on Education, "First Impressions and Second Thoughts." (Washington, D.C.: American Council on Education, 1995.)

10. Business-Higher Education Forum, "Work Readiness of College Graduates: The View from the Corporation." (Washington: Business-Higher Education Forum, 1995.)

11. American Council on Education, "The Fragile Coalition." (Washington: American Council on Education, 1995.)

12. Peter Schmidt, "Earning Appropriations." Chronicle of Higher Education, May 24, 1996, p. A23.

13. Remarks of Robert Rosenzweig, former president of the Association of American Universities, at a meeting of the commission in Alexandria, Virginia, February 1, 1996.

14. Remarks of Timothy J. Sullivan, president of the College of William and Mary, at the June 27, 1995 meeting of the commission in Washington, D.C.

15. Clark Kerr and Marian L. Gade, The Guardians: Boards of Trustees of American Colleges and Universities—What They Do and How Well They Do It. (Washington, D.C.: Association of Governing Boards of Universities and Colleges, 1989.)

16. Ernest L. Boyer, Scholarship Reconsidered: Priorities of the Professoriate. (Princeton, N.J.: Carnegie Foundation for the Advancement of Teaching, 1990.)

17. In recent years a number of governors and state legislatures have demanded faculty work load reports, sometimes as a precondition for releasing appropriated funds.

18. See Terrence J. MacTaggart and Associates, Restructuring Higher Education: What Works and What Doesn't in Reorganizing Governing Systems. (San Francisco: Jossey-Bass Publishers, 1995, pp. 39-40.)

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Appendix A
Single-Campus and Multicampus Trustee Boards

Multicampus state boards retain vast authority and are responsible for the welfare of institutions enrolling half of all students of higher education.

Makeup of Single-Campus and Multicampus Boards

	Public Multicampus Board	Public Single Campus Board	Private Board
Proportion of Trustees	3%	14%	83%
Proportion of Enrollments	50%	30%	20%

Source: Clark Kerr and Marian L. Gade, The Guardians: Boards of Trustees of American Colleges and Universities—What They Do and How Well They Do It (Washington, D.C.: Association of Governing Boards of Universities and Colleges, 1989).

As the table makes clear, private boards have a much higher ratio of trustees to students. This is partially inherent in the nature of generally smaller, private institutions. On the public side, however, the authority to shape campus life and the educational experiences of half of all students lies in the hands of a very few people. States should carefully consider whether they have sufficient trustee strength on their public boards to effectively govern their large, diverse student populations and complex institutions.

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Appendix B Contractual Agreements and Compensation

Mutual understanding between presidents and boards is the foundation of their working relationship. Contracts between boards and presidents should lay out clearly the mutual understanding between them, including compensation and benefits packages. Clarity about the contractual aspects of the presidency protects not only incumbents but also the institution.

The commission recommends the following:

- **Don't Ignore the Need for Contracts.**

Hard as it is to believe, contractual arrangements too often are established without full discussion between both parties. The fundamental questions should include: What is fair, and what do we need to do to encourage risk and attract excellence? What does that imply for compensation and benefits? What is required to protect against short terms in office, through retirement and severance arrangements?

- **Make Sure Everything Is Disclosed, Understood, and Publicly Defensible.**

Public confidence is influenced by presidential compensation, a visible symbol of expenditures on higher education. Information about compensation should be public and the criteria for salary levels explicit and understandable. The level of compensation should reflect the demands of the position, the complexity of the enterprise, and common practice at similar institutions. In determining compensation, the board should examine appropriate comparison groups, including the leaders of major nonprofit organizations.

Exceptional arrangements—for deferred compensation, positions on corporate boards, reimbursement to spouses for their contributions to the institution's life, and special perquisites—may be considered, however, since such arrangements often are

controversial, the commission recommends careful review of these areas. All such arrangements should be publicly justifiable.

- **Build In Expectations and Assessments.**

Board expectations for performance—mutually agreed upon and related to the institution's strategic direction—should be an explicit part of the contract. The board should consider tying increases in compensation, benefits, and perquisites to institutional progress and the president's role in its achievement.

- **Put Up a Safety Net.**

Presidents' need to take risks for change should be afforded some minimal measure of personal security. The commission recommends three elements: (1) transportable retirement benefits (as most academic retirement programs are) so that presidents moving to different states do not lose benefits; (2) rolling contracts, so that presidents can look ahead to two or more years with contractual protection; and (3) severance arrangements sufficient to provide for the outgoing president's transition to another position.

- **Seek Professional Assistance.**

Boards should consider seeking professional assistance in developing contractual arrangements and presenting them to the public. The commission also suggests that the Association of Governing Boards and other organizations might fruitfully focus on this area through consultation and written handbooks to provide guidance to boards on these issues.

The commission recommends that the Association of Governing Boards undertake a closer examination of these issues and develop specific guidelines to help boards develop sound compensation policies and other conditions of employment.

Appendix C
Merit Selection of Trustees

Three states, Kentucky, Massachusetts, and Minnesota, have enacted reforms of the trustee-selection process. They suggest a range of options for other states.

- **Kentucky.** A screening committee is appointed by the governor. State officials stipulate the criteria for university board members by law.
- **Massachusetts.** A nominating council is appointed by the governor. This council submits at least three times as many names to the governor as there are vacancies.
- **Minnesota.** Two committees have been established, one for the board of regents and one for the higher education council. Each committee is charged with recruiting and evaluating candidates for its board—the first for final legislative approval and the second for the governor's approval.

For further information, see Jean Graves MacDonald, "Changing State Policies to Strengthen Public University and College Trustee Selection and Education." AGB Public Policy Paper Series No. 95-2. (Washington, D.C.: Association of Governing Boards of Universities and Colleges, 1995.)

Appendix D
Acknowledgements

The commission wants to express its gratitude to the many people whose assistance made this report possible.

Our first acknowledgment goes to two commission members: J. Lloyd Huck, who underwrote many of the commission's expenditures, proved indispensable to our discussions. And AGB President Tom Ingram, who conceived the project, supported us every step of the way.

We want to acknowledge the assistance of more than 100 presidents, former presidents, trustees, and public officials who were interviewed as part of this effort. Their insights into the problems of the presidency and academic governance were invaluable. Most spoke with the understanding that their remarks would be held in confidence, and we have respected that trust. Several joined us at our meetings, and we have felt free to quote from their comments. If we have not done justice to their views, the faults is ours, because all expressed themselves forcefully and well.

We also want to thank the commission members who served as an editing committee for this document, I. Michael Heyman, Keith R. Johnson, Richard W. Lyman, Frank H.T. Rhodes, Margaret Warner, and Alan L. Wurtzel. They gave shape and substance to our work, and without their efforts we would not have succeeded.

Finally, we want to acknowledge the contributions of our capable and hard-working staff. Commission Director Chip Smoley's experience in organization and management theory continually shaped our thinking. Holly Madsen contributed to the project from beginning to end, from research and interviews to editing and speechdrafting. Consultant and writer James Harvey, with the assistance of Bruce Boston and Roger Williams, helped with drafting and editing of the report. And Richard Novak and William A. Weary led the commission's study groups on public public and on the presidency.

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Appendix E
Commission Meetings

Meeting Dates, Locations, and Witnesses

June 25-26, 1995
Smithsonian Institution
Washington, D.C.

Michael K. Hooker, *Chancellor, University of North Carolina at Chapel Hill (then president of the University of Massachusetts System)*

Elisabeth A. Zinser, *Chancellor, University of Kentucky at Lexington (then president of the University of Idaho)*

Timothy J. Sullivan, *President of the College of William and Mary (Virginia)*

Cordell Wynn, *President of Stillman College (Alabama)*

Michele T. Myers, *President of Denison University (Ohio)*

Oscar E. Remick, *President of Westminster College (Pennsylvania)*

The Honorable Gaston Caperton, *Governor of West Virginia*

John T. "Til" Hazel, Jr., *Founder, Virginia Business/Higher Education Council*

Mary Burgan, *Executive Director of the American Association of University Professors*

October 9-10, 1995
Radisson Plaza Hotel
Alexandria, Virginia

Marian L. Gade, *Senior Research Associate, University of California at Berkeley*

Gus Tyler, *trade union leader (U.N.I.T.E.), author, and syndicated columnist*

John D. Walda, *Chairman of the Board, Indiana University*

Bonnie Watson Coleman, *Trustee, The Richard Stockton College of New Jersey*

Sr. Mary Ann Cook, *Trustee, Trinity College (Washington, D.C.)*

February 1-2, 1996
Radisson Plaza Hotel
Alexandria, Virginia

Robert M. Rosenzweig, *former President of the Association of American Universities*

April 25-26, 1996
Ritz-Carlton Hotel
Arlington, Virginia

Stanley O. Ikenberry, *former President, University of Illinois*

Elizabeth Coleman, *President of Bennington College (Vermont)*

June 3, 1996
Capitol Hilton Hotel
Washington, D.C.

Executive Working Session

Association of Governing Boards
of Universities and Colleges